



## Hennepin County, Minnesota BCRLF Pilot Project

Outreach and Special Projects Staff (5105)

Quick Reference Fact Sheet

*EPA's Brownfields Economic Redevelopment Initiative is designed to empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields. A brownfield is a site, or portion thereof, that has actual or perceived contamination and an active potential for redevelopment or reuse. EPA is funding: assessment demonstration pilot programs (each funded up to \$200,000 over two years, with additional funding provided for greenspace), to assess brownfields sites and to test assessment models and facilitate coordinated assessment and cleanup efforts at the federal, state, tribal, and local levels; and job training pilot programs (each funded up to \$200,000 over two years), to provide training for residents of communities affected by brownfields to facilitate cleanup of brownfields sites and prepare trainees for future employment in the environmental field; and, brownfields cleanup revolving loan fund (BCRLF) pilot programs (each funded up to \$1,000,000 over five years) to provide financial assistance for the environmental cleanup of brownfields. These pilot programs are intended to provide EPA, states, tribes, municipalities, and communities with useful information and strategies as they continue to seek new methods to promote a unified approach to site assessment, environmental cleanup, and redevelopment.*

### BACKGROUND

Hennepin County contains one-quarter of Minnesota's population (1,050,000) and includes the city of Minneapolis and 44 suburbs. An important part of the river and rail corridor systems of the upper-midwest, Hennepin County must now contend with contamination, or perceived contamination at many former industrial and commercial sites. These sites reduce the County's quality of life and property tax valuations, and inhibit efforts to retain and attract commercial and industrial businesses.

In September 1999, the U.S. EPA selected Hennepin County to receive a \$500,000 Brownfields Cleanup Revolving Loan Fund (BCRLF) Pilot. The BCRLF Pilot will provide low-interest loans to clean up brownfields sites in Hennepin County. Eligible borrowers will include private, for-profit businesses, non-profit businesses and public entities.

Hennepin County's BCRLF targets sites throughout the County, with priority consideration given to sites within Minneapolis' Empowerment Zone, and within special designated districts such as hazardous waste districts, which are tax increment financing districts.

### STRUCTURE OF THE HENNEPIN COUNTY BCRLF

Hennepin County is the lead agency for the BCRLF program and will also serve as fund manager for the program. The Program is administered by the Hennepin County Department of Environmental Services (DES). All sites receiving loan funds from the BCRLF are required to enroll in the Minnesota Pollution Control Agency's

#### PILOT SNAPSHOT



Hennepin County, MN

**Date of Loan:** December 2000

**Amount:** \$240,000 with escalation up to \$425,000

**Loan Profile:** Hennepin County is making a \$240,000 loan to Fire Barn Associates, LLC for the cleanup of property located near the intersection of East Hennepin Ave., and University Ave., NE, Minneapolis

#### Contacts:

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Coordinator  
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Visit the EPA Region 5 Brownfields web site at:  
[www.epa.gov/R5Brownfields/](http://www.epa.gov/R5Brownfields/)

For further information, including specific Pilot contacts, additional Pilot information, brownfields news and events, and publications and links, visit the EPA Brownfields web site at:  
<http://www.epa.gov/brownfields>

(MPCA's) Voluntary Investigation and Cleanup (VIC) Program. The MPCA also will serve as site manager for the Hennepin County BCRLF.

Hennepin County DES is the heart of Hennepin County's brownfields programs. The Contaminated Lands Unit of the Hennepin County DES was created in 1996 and seeks

to strengthen urban communities by returning vacant and under-utilized contaminated lands to productive use, thereby retaining and creating jobs and reducing urban sprawl.

## **BCRLF BORROWER**

Fire Barn Associates, LLC, which is part of a greater real estate development enterprise known as HuntGregory, LLC, is the borrower for this project. Fire Barn Associates, LLC has teamed with the United States Department of Housing and Urban Development, the Minnesota Pollution Control Agency, the Minnesota Department of Health, the Minnesota Department of Trade and Economic Development, Hennepin County DES and the Metropolitan Council to revitalize the neighborhoods by cleanup of environmental hazards and by construction of housing units and commercial retail and office space. Hennepin County is making a \$240,000 BCRLF loan to Fire Barn Associates, LLC for the cleanup of property located near the intersection of East Hennepin Avenue and University Avenue, NE, Minneapolis. The loan documents provide for the loan to increase up to \$425,000 should additional funds be needed to address environmental issues associated with the cleanup. The site falls within the Nicollet Island/East Bank neighborhood and within the larger University community of Minneapolis. More than 40% of the population in this neighborhood is below the poverty level.

## **BCRLF CLEANUP SITE**

The properties that comprise Block 40 and Block 41, Saint Anthony Falls Addition to Minneapolis near the intersection of East Hennepin Avenue and University Avenue, NE, Minneapolis, include a former car dealership and associated automotive service and body work facilities. The car dealership and predecessor dealerships involved retail sales, storage of new cars both inside buildings and on paved surfaces surrounding the buildings, automobile service facilities, and body and collision repair services. The dealership and associated service garage were located on Block 40. The dealership has been vacant for a number of years.

The existing building housing the "Collision Center" (body shop) on Block 41 was constructed in 1951. The auto-body and collision repair services facility was in operation until a few months ago. A small filling station was constructed on Block 41 in 1947 and demolished between 1983 and 1993.

The surrounding area is characterized by mixed land use. Surrounding property includes a variety of industrial, commercial, and retail facilities, as well as high-density residential. The area has been developed for over 150 years, as the area around St. Anthony Falls was a commercial hub during the early development of the City of Minneapolis.

Site investigations conducted in 1999 and 2000 indicate that historic activities at the site have resulted in a release of poly-nuclear aromatic hydrocarbons (PAHs) to site soils. Chemical analyses showed PAHs present in the fill at levels above Minnesota Pollution Control Agency (MPCA) human health based screening criteria. Contaminated fill was found on both blocks of the site, and it is not clear where the contaminated fill originated, however, it appears that it would have been placed at the site sometime between 1940 and 1950. Contaminants include PAHs in soil from historic fill that was used to raise the grade of Block 41 and PAHs in fill from a building foundation on Block 40. Petroleum contamination from a former underground storage tank leaksite (closed by the Minnesota Pollution Control Agency) and chlorinated solvents are also present in the soil and groundwater.

## **PROPOSED SITE REUSE PLAN**

In order to redevelop the site, fill will be excavated to an average depth of 5 feet on Block 41 and 13 feet on Block 40, amounting to 25,000 tons of contaminated soil. This contaminated soil will be transported to an off-site disposal facility. Following cleanup, Fire Barn will construct a \$30-million redevelopment complex that will include 30 affordable housing units, 48 townhomes, 15,000 square feet of commercial/retail space and 30,000 square feet of commercial/office space.

## **BCRLF LOAN LEVERAGING**

The \$240,000 BCRLF loan will return over \$30 million in development and create over 275 full time, permanent jobs.

## **CONTACTS**

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*Use of BCRLF Pilot funds must be in accordance with CERCLA, and all CERCLA restrictions on use of funding also apply to BCRLF funds.*

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